

2016 City Estimates Additional Information & Worksheet

Nonpayment, Late Payment, or Underpayment of Estimates

Failure to make required estimated tax payments or underpayment of estimated tax will result in assessment of penalty and interest. Treasury will compute your penalty and interest and send you a bill.

The interest rate is 1 percent above the adjusted prime rate and is adjusted on January 1 and July 1 of each year. Interest is charged from the original due date of the return to the date the balance of

the tax is paid. The interest rate through June 30, 2016 is 4.25 percent annually (.0001161 daily rate). For interest rates after June 30, 2016, visit www.michigan.gov/citytax or call 517-636-5829.

Penalty is:

- 10 percent for failing to pay enough in estimated payments;
- 25 percent for failing to make estimated payments when required.

Worksheet Instructions

You will need your 2015 city income tax return for reference (even if you have not completed them yet).

Line 1: Estimate your taxable income expected in 2016. Residents should use an estimate of federal adjusted gross income and include the additions and subtractions from the 2015 city income tax return. Nonresidents should consider only those items subject to tax in the city. Enter on line 1.

Line 2: To determine your exemption allowance, see your 2015 city income tax return. Multiply number of exemptions by \$600. Enter total on line 2.

Line 4: Multiply line 3 by the city tax rate. Enter result on line 4.

- 2.4% (0.024) for city residents.
- 1.2% (0.012) for city nonresident.

Line 5: Estimate credits for your 2016 return. Enter on line 5.

Line 6: Estimate the city tax you expect to be withheld from your earnings. Enter on line 6.

If you do not know if you must file estimates or if you are not sure how much to pay, contact the Michigan Department of Treasury's City Income Tax Administration at 517-636-5829. Assistance is also available using TTY through the Michigan Relay Service by calling 1-800-649-3777 or 711.

Visit www.michigan.gov/citytax for additional information.

Estimated Tax Computation Worksheet Keep for Your Records

1. Estimated 2016 city income subject to tax (see worksheet instructions).....	1. _____
2. Exemption allowance amount (see worksheet instructions).....	2. _____
3. Balance. Subtract line 2 from line 1.....	3. _____
4. Estimated city tax. Multiply line 3 by the city tax rate.....	4. _____
5. All estimated city credits	5. _____
6. City tax you expect to be withheld from your earnings.....	6. _____
7. Total deductions. Add lines 5 and 6	7. _____
8. Estimated city tax due. Subtract line 7 from line 4.....	8. _____
9. Estimated city payment due. Divide the amount on line 8 by 4. Enter here and on each voucher.....	9. _____

NOTE: Apply your 2015 overpayment to your first voucher. Any unused credit must then be applied to your second voucher and following vouchers until the entire credit is used. Do not send an estimate form unless you are sending payment with it.